



# Department of Justice

United States Attorney Benjamin B. Wagner  
Eastern District of California

FOR IMMEDIATE RELEASE  
THURSDAY, APRIL 29, 2010  
WWW.JUSTICE.GOV/USAO/CAE/

CONTACT: LAUREN HORWOOD  
PHONE: 916-554-2706  
EMAIL:USACAE.EDCAPRESS@USDOJ.GOV

**SK FOODS LP FORMER OWNER AND CEO, FREDERICK SCOTT SALYER,**  
**INDICTED ON ADDITIONAL CHARGES**

***Superseding Indictment Adds Charges Against Salyer for Price Fixing and Bid Rigging  
in Violation of the Sherman Antitrust Act***

SACRAMENTO, Calif. — A federal grand jury returned a 12-count superseding indictment charging Frederick Scott Salyer, of Pebble Beach, Calif., with additional federal crimes for his participation in a conspiracy to suppress and eliminate competition in the tomato processing industry by raising and fixing prices, and rigging bids for the sale of tomato paste within the United States, announced United States Attorney Benjamin B. Wagner and Assistant Attorney General for the Department of Justice's Antitrust Division, Christine A. Varney. The remaining allegations are unchanged from the original indictment, which was returned by a federal grand jury on Feb.18, 2010. The preexisting counts charge Salyer with violations of the Racketeer Influenced and Corrupt Organizations Act (RICO), in connection with his direction of various schemes to defraud SK Foods' corporate customers through bribery and food misbranding and adulteration. Specifically, Salyer is charged with conducting and conspiring to conduct the affairs of an enterprise through a pattern of racketeering activity. Salyer is also charged with four counts of wire fraud, and with one count of obstruction of justice.

The case is the product of a joint investigation by the FBI, the Internal Revenue Service, Criminal Investigation, the FDA Office of Criminal Investigations and the United States Department of Justice's Antitrust Division.

Between 1990 and 2008, Salyer was the owner and served as chief executive officer of SK Foods L.P., a grower, processor and distributor of tomato products and other food products for sale to food product manufacturers, food service distributors and marketers and retail outlets nationwide. SK Foods declared bankruptcy in May 2009, and its assets were purchased out of bankruptcy by the Singapore-based Olam International.

The added charges allege that Salyer conspired with others to fix prices or rig bids for the sale of processed tomato products to three of SK Foods' domestic customers – McCain Foods USA Inc., ConAgra Foods Inc. and Kraft Foods Inc.– and to include certain terms in contracts for the sale of processed tomato products, all in violation of the Sherman Antitrust Act.

The current charges against Salyer are the latest in the government's investigation into various individuals and entities in the domestic tomato processing industry. To date, 10 former executives and employees of SK Foods, and its customer companies have pleaded guilty to one or more federal felonies in connection with the schemes.

FBI Special Agents arrested Salyer at John F. Kennedy International Airport in New York City, on February 4, 2010, after he stepped off of a flight from Zurich, Switzerland. Salyer remains in federal custody at the Sacramento County Main Jail. His next court appearance in the criminal case is currently set before the Honorable Lawrence K. Karlton on May 4, 2010.

The maximum statutory penalty on the racketeering charges against Salyer is 20 years in prison, a fine of up to \$250,000 and the forfeiture of any interest, property or proceeds acquired or maintained as a result of the racketeering activity. The Antitrust charges carry a penalty of up to 10 years in prison, and a fine of up to \$1 million. The wire fraud and obstruction charges against Salyer also are punishable by up to 20 years in prison. The defendant's actual sentence will be dictated by the Federal Sentencing Guidelines, however, which take into account a number of factors, and will be imposed at the discretion of the court. The charges against Salyer are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

Assistant United States Attorneys Sean C. Flynn and Matthew D. Segal, are prosecuting the case together with Barbara Nelson and Richard Cohen of the Antitrust Division's San Francisco Field Office.

Press inquiries to the U.S. Attorney's Office should be directed to Lauren Horwood at 916-554-2706. Press inquiries regarding the Department's Antitrust Division should be directed to Gina Talamona at 202-514-2007.

# # #